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Sun re-resellers launch OFT complaint

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An alliance of resellers has launched an official complaint against Sun Microsystems in the UK, alleging that the manufacturer is unfairly stifling the trade in used Sun products.

The Association of Service and Computer Dealers International (ASCDI) filed its members' grievance with the Office of Fair Trading (OFT) on Monday. A summary of the complaint is available [here](#)

(<http://www.ascdi.com/vendors/sun/ofTSUMMARY04242007.asp>).

In essence, the reseller body alleges that Sun has instituted a policy of refusing to provide provenance information on its products. This means, for instance, that a reseller holding Sun kit cannot find out if it was originally supplied for use in the European Economic Area. If the products were so supplied, they can legally be resold in the EEA. But if the reseller can't find this out, every deal is potentially illegal and business cannot be done.

"Sun's policy effectively closes the secondary market trade in Sun products to anyone other than Sun. It is anti-competitive behaviour plain and simple," ASCDI president Joe Marion said.

ASCDI members contend that they can offer end users Sun products at lower prices, benefiting the consumer. They argue that once Sun has sold something for use in a given region, people in that region should be able to buy and sell it second-hand from then on.

At present, according to ASCDI, other big names such as Cisco, IBM, and HP don't try to throttle the secondary market in their products. But the resellers are worried that if Sun is allowed to continue as it is, others might jump on the bandwagon. After all, there can't be many producers inside or outside the IT industry who wouldn't prevent second-hand trade in their products if they could.

ASCDI suggests that significant biz hardship has already occurred.

"Some independent resellers have transitioned their businesses to other computer manufacturers, some have been left holding large inventories of Sun equipment they are or may be prohibited from selling, while others have gone out of business," the alliance said.

ASCDI reckons Sun is in contravention of UK competition law and wants the OFT to

sort it out. The resellers want the manufacturer to provide provenance information in a "timely" manner on a "fee-free basis". They also want this "without disclosure of such requests to Sun's direct sales force". That last one would call for a lot of internal rectitude on Sun's part, assuming an OFT ruling in the resellers' favour. ®

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